The Planning Institute of Jamaica's Review of Economic Performance, April–June 2026
Media Brief
August 18, 2026

1.Overview – Current Economic Context

Before I provide the details on economic performance, let me remind you of the purpose of these quarterly economic estimates provided by the PIOJ. The PIOJ presents preliminary estimates on economic performance for each quarter. This is based on early information provided by major data providers.

The provision of preliminary estimates is consistent with trends in modern economies globally, where it is the common practice to release a 1st, 2nd and even a 3rd preliminary estimate, before the final figures are provided. The PIOJ releases the preliminary growth estimate approximately six weeks following the end of the quarter being reviewed, while STATIN releases the official figures at the end of the 3rd month following the end of the quarter.

Various stakeholders, including our International Development Partners, the Private Sector, as well as the Government, use the preliminary data to inform critical planning and policy-related decisions.

Today, we are reporting that the Jamaican economy recorded an estimated **contraction of 2.9%** compared with the corresponding quarter, April to June 2025.

The out-turn for the review quarter largely reflected the continued downturn in most industries due to the lingering impact of Hurricane Melissa. The hurricane led to an estimated decline in domestic demand as a result of a reduction in the Employed Labour Force and lower levels of business and consumer confidence.
The hurricane's impact was compounded by the El Niño phenomenon, which is expected to bring hotter, drier conditions, and heightened risks to agricultural output, water availability, and public health, thereby threatening livelihoods and the performance of some industries.

2.Real Sector Developments

Developments in the Goods Producing Industry

The Goods Producing Industry **declined by an estimated 6.4%** with declines recorded for two of the four industries, namely Agriculture, Forestry & Fishing; and Mining & Quarrying. However, the Manufacturing and Construction industries were estimated to have recorded growth.

Agriculture, Forestry & Fishing

Real Value Added for the **Agriculture, Forestry & Fishing** industry **contracted by an estimated 17.0%**. This performance stemmed from the lingering effects of Hurricane Melissa compounded by drought conditions associated with the El Niño effect. Consequently, there was a fall in output per hectare and a 12.9% reduction in the area of domestic crops reaped.

The performance of the industry stemmed from:

1. an 8.4% decline in the output of Other Agricultural Crops. Lower production was recorded in six of the nine crop groups, led by Plantains, down 77.5%; Yams, down 31.9%; Fruits, down 30.3%; and Legumes, down 20.4%
2. a 64.0% decline in Traditional Export Crops which largely reflected lower production of Sugar cane, down 15.0%; and Banana, down 72.0%. These declines were sufficient to outweigh an estimated increase in coffee production
3. a 2.7% contraction in Animal Farming, which was attributed to a decrease in poultry meat production by 1.7% and eggs by 26.6%.

Post Harvest Activities grew, reflecting increased availability of coffee berries for roasting.

Mining & Quarrying

Real Value Added for the **Mining & Quarrying** industry **decreased by 23.9%,** due to lower alumina production, which outweighed an increase in crude bauxite production. Specifically:

- Alumina production, the heavier weighted component, **contracted by 30.8%.** Lower production was the result of technical challenges associated with damage caused by Hurricane Melissa. The alumina capacity utilization rate was 27.3%, down 12.1 percentage points compared with the corresponding quarter of 2025
- Crude Bauxite production, **up 8.8%,** reflected higher demand from a major overseas purchaser. The bauxite capacity utilization rate increased by 3.1 percentage points to 38.5%.

Manufacturing

Real Value Added for the **Manufacturing** industry was estimated to have **grown by 1.0%.** Increased output was estimated for the Other Manufacturing sub-industry that outweighed an estimated contraction in Food, Beverages & Tobacco.

For the Other Manufacturing sub-industry, the estimated increase was as a result of higher output of Non-metallic Minerals due to Cement production, up 56.8%; and Clinker, up 203.9%. Additionally, increased output of 5.6% was recorded for Other Plastic Products. Further growth in this sub-industry was stymied by a decline in Petroleum Products led by Fuel Oil, down 28.2%; Automotive Diesel Oil (ADO), down 27.4%; LPG, down 17.4%; Turbo Fuel, down 14.9%; Other Petroleum Products down 9.7%; and Gasoline, down 5.4%.

Within the Food, Beverages & Tobacco sub-industry, lower production stemmed from Broiler Meat, down 1.4%, Sugar, down 33.4% and Corn products, down 10.1%. There was also a downturn in the production of Beverages reflected in lower output of Carbonated Beverages, down 7.3%.

Construction

An estimated growth of **0.3%** per cent in Real Value Added was recorded for the **Construction** industry**,** due to an improved performance in the Other Construction sub-industry, driven by higher levels of civil engineering activities. This outweighed an estimated downturn in the Building Construction component. Preliminary data on sales of Construction inputs indicate a 13.7% increase in real terms, while cement supply to the market and Asphalt sales expanded by 9.7% and 0.2%, respectively.

The growth in the Other Construction component was due to higher capital expenditure. Among the entities recording increased expenditure was the:

- National Works Agency (NWA), up 405.9% to $4.4 billion, due largely to expenditure on the SPARK programme as well as the dualization of Grange Lane in Portmore, St. Catherine
- National Road Operating and Construction Co. (NROCC), up 20.2% to $4.7 billion due to expenditure on the Montego Bay Perimeter Road project

- Urban Development Corporation (UDC), up 38.7% to $131.0 million.

The Building Construction component is estimated to have declined, reflecting a 90.3% decrease in housing starts by the NHT. The downturn in housing starts was partially tempered by an increase in the value of Mortgages by the NHT, up 31.6%, and robust levels of work-in-progress due to the high level of starts reported over the last four quarters.

Developments in the Services Industry

The **Services Industry** was estimated to have **declined by 1.7%** reflecting contractions in all industries, with the exception of Financial & Insurance Activities; Wholesale & Retail Trade, Repair of Motor Vehicles, Installation of Machinery & Equipment; and Public Administration & Defence.

Electricity, Water Supply & Waste Management

The **Electricity, Water Supply & Waste Management** industry recorded a **contraction of 4.1%** in Real Value Added, reflecting declines in both electricity and water consumption.

Electricity consumption decreased by **2.4%** based on lower consumption for five of six categories:

- Residential, down **3.1%**
- General Service (small businesses using less than 25 kilovolt ampere (kVa), down **2.7%**
- Power Service (large businesses using more than 25 kVa but less than 500 kVa), down **4.7%**
- Large Power (businesses using more than 500kVa), down **2.4%,** and
- Street Lighting + Traffic Signals down by **4.8**%.

These outweighed increased consumption for the category Largest Power (single locations with a minimum peak demand of 2000 kVa), which increased by 9.3%.

Kingston & St Andrew continued to account for the largest share of electricity sales at 35.6%, followed by St Catherine at 17.7% and St James, 9.9%.

Water consumption decreased by 7.5%, due to a 13.6% decline in the Western division and a 4.2% decline in the Eastern division.

Transport & Storage

Real Value Added for the **Transport & Storage industry** was estimated to **have contracted by 3.9%** due to reduced air transport activities.

The decline in the air transport component was consistent with the downturn in visitor arrivals, as a result of reduced room capacity in the Accommodation & Food Service industry. However, a further decline was tempered by an estimated growth in the maritime transport subcomponent. This reflected domestic cargo volume, up 7.0%, due to increases in cargo handled at the Port of Kingston, up 11.0% and a 2.6% increase in cargo handled at Outports. The growth was also supported by a higher number of vessel visits.

The industry's performance was also supported by an improved performance in the land transport sub-component reflected in the higher number of buses dispatched by the JUTC. The average number of buses dispatched increased by 62.9% to 304 per month. This resulted in increases of:

- 33.6% to 6.5 million in the number of Revenue Passenger trips
- 36.1% to $35.4 million in the Revenue from Charter Trips.

The Storage component was estimated to have grown, consistent with the growth in the volume of domestic Maritime Cargo handled at the major ports.

WRTRIM

Real Value Added in the **Wholesale & Retail Trade; Repair of Motor Vehicles, Installation of Machinery & Equipment (WRTRIM)** industry is estimated to have **grown by 0.2%** pushed by a real increase of 0.9% in gross sales and growth in the related Construction and Manufacturing industries.

Higher sales were recorded for seven of the eight categories, including:

- Motor Vehicle, Auto Repairs & Accessories, up 3.6%
- Hardware, Building Supplies & Electrical Goods & Machinery, up 12.7%
- Minerals, Fuels, Lubricants & Petroleum Products, up 19.7%
- Retail Sale of Pharmaceuticals, Medical Goods and Cosmetics, up 4.4%.

Financial & Insurance Activities

Real Value Added for the **Financial & Insurance Activities** industry was estimated to have **grown by 1.9%** during the review quarter. The performance reflected the impact of:

- an increase in net interest income due to a rise in the stock of loans and advances at deposit-taking institutions
- higher income from fees and commission, supported by increased utilization of financial services.

Accommodation & Food Service Activities

Real Value Added for the **Accommodation & Food Service Activities** industry **contracted by an estimated 12.2%**, reflecting a decline in stop-over arrivals. Preliminary data on Stopover arrivals for April to May 2026 stood at 382 745 visitors, down 19.6%, compared with the similar months of 2025**.**

Preliminary visitor expenditure for April to May 2026 fell by 17.0% to US$578.0 million, compared with the similar period of 2025.

Employment Update….

Regarding the Employment out-turn, STATIN has released an update on the Labour Force Survey for April 2026. As such, we will not present a detailed report on this area. For April 2026, the unemployment rate was **3.7%,** up 0.4 percentage point relative to April 2025. Youth unemployment increased, by 1.6 percentage points to 11.7%. The unemployed labour force also increased by 5 000 to 55 000 persons relative to April 2025.

The number of persons employed decreased by **25 700 persons** to **1 418 800** relative to April 2025. Male employment fell by 8 500 to 761 000 persons, while female employment decreased by 17 000 to 657 900 persons. The number of persons outside the Labour Force increased by 20 500 to 681 900 persons relative to April 2025.

GDP Performance: January–June, 2026

For the first six months of 2026, real GDP is estimated to have **contracted by 3.5%.** The Goods-Producing Industry declined by **6.8%,** while the Services Industry declined by **2.4%.** The industries that were estimated to have recorded the largest contractions during the first half of the year, were Mining & Quarrying, down 23.7%; Agriculture, Forestry & Fishing, down 17.6%; and Accommodation & Food Service Activities, down 14.4%.

3.Short Term Economic Outlook:

July–September 2026 & FY2026/27

Let me now turn to the short-term economic outlook. Short-term prospects for the overall economy are negative, with the economy projected to **contract within the range of 0.5% to 1.5% for July–September 2026**. That is, lower output is anticipated as industries continue to recover from the adverse effects of the hurricane. It is important to note, however, that as economic recovery intensifies, the expectation is that for each subsequent quarter, the rate of contraction will be progressively smaller, ultimately returning to growth during October to December 2026.

With regard to upside potential for growth, the main supporting factors include:

1. Faster pace of recovery for most industries due to the gradual easing of the adverse impact of Hurricane Melissa
2. Full operationalization of the National Reconstruction and Resilience Authority (NaRRA) by the latter half of the fiscal year, which is expected to drive reconstruction efforts and further stimulate construction activity
3. Timely resolution to the ongoing conflict in the Middle East, and
4. Favourable weather conditions, to support the recovery in agricultural output and water production.

Risks to the short-term outlook include:

1. Weather-related shocks, largely associated with the start of the hurricane season and the impact of the “Super El Nino” on vulnerable industries
2. a worsening of geopolitical tensions, which may result in further inflationary pressures on energy and other commodity prices
3. Delays in the execution of major infrastructure projects, which would constrain the economy's medium-term growth potential.

Preliminary data on the Mining & Quarrying industry for July 2026 indicate that alumina and crude bauxite production declined by 18.1% and 55.7%, respectively. With respect to the Accommodation and Food Service activities industry, preliminary data indicate that airport arrivals contracted by 22.4% relative to July 2025. However, Electricity consumption grew by 0.1% for July 2026.

For **FY2026/27,** the PIOJ’s projection is for real GDP growth within the range of **1.0% to 3.0%.**

4. Ten Years of Sustainable Development Goals Implementation: Reflections, Acceleration and Beyond 2030

This past July, Jamaica completed its third Voluntary National Review (VNR) on the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, the SDGs. Previous Voluntary National Reviews were completed in 2018 and 2022 reflecting continuity and commitment to the process of follow-up and review in development planning.

The VNR is a country-led process that assesses Jamaica's performance on the SDGs. The preparation of Jamaica's third VNR was led by the SDGs Core Group, comprising the Planning Institute of Jamaica, the Ministry of Foreign Affairs and Foreign Trade and the Statistical Institute of Jamaica, with contributions from members of the wider National 2030 Agenda Oversight Committee and other stakeholders. The review reports on all seventeen goals and 133 of the 234 unique indicators in the global framework.

Comparative data up to 2024 from the Sustainable Development Solutions Network shows Jamaica on track to achieving 26.0 per cent of the global targets, with limited progress on 35.6 per cent and 38.4 per cent worsening. With respect to the global picture, 15.0 per cent of the targets tracked by UNSTAT are on track or have been met, 53.0 per cent are making progress and 32.0 per cent are stagnating or regressing.

Ten years into the implementation of the SDGs, Jamaica used this third VNR to discuss development issues across each goal—from modernising social protection to multilateralism—while assessing how to accelerate the pace of progress and what lies ahead, beyond 2030. The analysis was influenced heavily by Jamaica's vulnerability to exogenous shocks, as a small island developing state. Consequently, progress was constrained by the recent impact of Hurricanes Melissa and Beryl.

The review highlighted:

- the decline in prevalence of poverty from 21.4 per cent in 2015 to 7.8 per cent in 2024
- record low unemployment of 3.3 per cent in 2025
- elimination of mother-to-child transmission of HIV and congenital syphilis
- reduction in the public debt-to-GDP ratio from a peak of 135.6 per cent at the end of FY 2012/13 to 62.4 per cent at the end of FY 2024/25 and
- an increase in marine and terrestrial protected areas and gains in forest cover.

These indicators are juxtaposed by:

- the increase in the maternal mortality ratio from 87.9 per 100 000 in 2015 to 150.0 per 100 000 in 2024
- the 24.5 per cent of youth not employed, nor in educational or training institutions as at July 2024
- a high level of informal employment last measured at 510 000 persons in 2022.

Progress in achieving the SDGs continues to be constrained by recurring issues related to climate change, inadequate productive capacity and external energy shocks. However, accelerating achievement has been linked to increased emphasis on improving health and educational outcomes, community development and revitalising industry and innovation with institutional strengthening critical to the process.

Jamaica presented the insights of the VNR at the just concluded High Level Political Forum (HLPF) at the United Nations Headquarters in July 2026. The HLPF platform was used to advocate for middle-income countries and Small Island Developing States. This effort was made possible through wide-ranging consultations across government, community groups, local authorities, civil society groups, private sector and the youth.

5. Conclusion

In closing, the preliminary data presented on performance for the April to June 2026 quarter, indicate that the economy continued along the recovery process, recording successively lower rates of contraction over the last three quarters. An assessment of the performance of the major economic variables, relative to the previous quarter, confirms the extent of the recovery being experienced.

Following three consecutive quarters of 'quarter-over-quarter' growth, during the first 9 months of 2025, the economy experienced a sharp setback in the October–December 2025 quarter as Hurricane Melissa triggered a 7.3 per cent decline in real value added relative to July–September 2025. Importantly, the latest GDP release from STATIN confirms that the economy has begun to recover from the shock. The seasonally adjusted real value added for January–March 2026 increased by 3.3 per cent compared with the October–December 2025 quarter, signalling a rebound in economic activity.

The labour market data tells a similar story. In January 2026, the employed labour force fell by 23 800 persons relative to October 2025, underscoring the significant disruption caused by the hurricane. However, by April 2026—based on surveys conducted during the first week of the month—employment had risen by 29 400 persons compared with January. This brought total employment to 1 418 800 persons, surpassing the 1 413 200 employed in early October 2025, just before the hurricane made landfall. Note that the labour force surveys are conducted during the first week of the review month.

These out-turns indicate that the economy is recovering from the adverse impact of Hurricane Melissa, with the data pointing to a progressive rebound in economic activity. The pace of recovery also reflects the resilience of Jamaica's underlying economic fundamentals, despite the significant disruption caused by this one-off shock.

For July to September 2026 the economy is projected to contract within the range of **0.5 per cent to 1.5 per cent,** relative to July to September 2025. However, for the full Fiscal Year, FY2026/27, economic **expansion** is projected within the range of **1.0 per cent – 3.0 per cent**. Economic growth is expected to be driven by gradual recovery in all industries, due to an expectation for fairly robust growth in the latter half of the fiscal year (as a result of the low-base effect from hurricane Melissa impact in the latter half of FY2025/26).

This economic outlook is supported by significant upside potential, driven by strategic public investments under the Government's ongoing Public Sector Investment Programme (PSIP) and the initiatives being advanced by the National Reconstruction and Resilience Authority (NaRRA). With respect to the ongoing PSIP, the Government's capital expenditure for the April–June 2026 quarter recorded a robust increase of 55.8%, reaching $13.7 billion. This momentum is expected to continue over the short to medium term, as reconstruction activities intensify and the implementation of recovery projects accelerate.

With respect to the expected recovery timeline, immediately following Hurricane Melissa, the PIOJ projected that a return to pre-Melissa levels of output would take up to three years, that is, by FY2028/29. This estimate was grounded in the patterns observed following previous weather-related and other external shocks. However, given the pace of recovery so far, the current expected timeline for attaining pre-Melissa output levels is now within 1½ to 2 years of the event, that is, as early as the April to June quarter of 2027. Note however, that full recovery, to include rebuilding efforts and replacing housing stock, public infrastructure and livelihoods will be over a more extended period, possibly 3–5 years.

In closing, I want to acknowledge and thank the very dedicated team here at the PIOJ. I encourage all Jamaicans to continue to collaborate in advancing our recovery and building a stronger, more resilient Jamaica, as we sustain our efforts to make ***Jamaica, the place of choice to live, work, raise families and do business.*** May God continue to bless Jamaica, land we love.

Thank you very much.